

Message Text

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SUBJ: FAILURE OF U.S. FIRMS TO QUALIFY FOR IRANIAN
CONTRACT - IRAN MCA LTD., TEHRAN, AND MCA
ENGINEERING CORPORATION, BALTIMORE, MARYLAND

REF: USDOC 12408

1. ECONOMIC COUNSELOR SPOKE WITH REPRESENTATIVES OF IRAN MCA LTD. AND PARENT U.S. COMPANY, MCA ENGINEERING CORP. OF BALTIMORE, MARYLAND, IN MAY OF 1975 CONCERNING EFFORTS BY IRAN MCA LTD. TO OBTAIN PLAN ORGANIZATION CERTIFICATION WHICH IS REQUIRED IN ORDER TO TRANSACT BUSINESS WITH PUBLIC SECTOR ENTITIES. AS EXPLAINED BY COMPANY REPRESENTATIVES AT THAT TIME, PROBLEM HAD ARISEN IN THAT IRAN MCA HAD SUBMITTED ITS DOCUMENTATION AFTER CLOSE OF IRANIAN FISCAL YEAR, I.E., MARCH 21, 1975. IT IS A FIXED PROCEDURE OF PLAN ORGANIZATION THAT APPLICATION FOR CERTIFICATION BY IRANIAN SUBSIDIARIES OF FOREIGN FIRMS ARE CONSIDERED EN MASSE AT ONE TIME. APPLICATIONS RECEIVED THEREAFTER ARE ROUTINELY POSTPONED UNTIL NEXT IRANIAN FISCAL YEAR. NONETHELESS, EMBASSY SENT LETTER TO UNDERSECRETARY OF PLAN ORGANIZATION SUPPORTING IRAN MCA'S APPLICATION AND REQUESTING EXPEDITIOUS ACTION ON COMPANY'S REQUEST FOR CERTIFICATION. EVIDENTLY PLAN ORGANIZATION TOOK NO AFFIRMATIVE ACTION ON EMBASSY LETTER.

2. IN ABSENCE OF MR. FRED F. MARMIRAN, WHO IS NOW IN U.S. FOR CONSULTATIONS WITH MR. EDMAND F. HAILE, ECONOMIC
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COUNSELOR BREWIN SPOKE AT LENGTH WITH M
. MOHAMEDI OF
IRAN MCA, LTD. MOHAMEDI CONFIRMED THAT PLAN ORGANIZA-
TION HAD DEFERRED ACTION ON IRAN MCA'S APPLICATION
UNTIL BEGINNING OF NEW IRANIAN YEAR, BUT AT SAME TIME
INFORMED IRAN MCA INFORMALLY THAT ALL DOCUMENTATION
WAS IN ORDER AND THAT EVENTUAL CERTIFICATION COULD BE
EXPECTED. MOHAMEDI SAID THAT AS A PRACTICAL MATTER,
WHILE PLAN ORGANIZATION CERTIFICATION OF IRAN MCA
EVENTUALLY WOULD BE NECESSARY, COMPANY IS BY NO MEANS
BARRED FROM DOING BUSINESS IN IRAN. HE EXPLAINED THAT
IRAN MCA, LTD. IS PERFECTLY FREE UNDER IRANIAN LAW AND
REGULATION TO DO BUSINESS IN THE PRIVATE SECTOR. AS
REGARDS PUBLIC SECTOR BUSINESS, HE SAID THAT IRAN MCA,
LTD. COULD DO BUSINESS HERE UNDER THE NAME OF U.S.
PARENT COMPANY (WHICH OWNS 49 PERCENT OF IRAN MCA).
I.E., MCA ENGINEERING CORP OF BALTIMORE, MARYLAND.

BY LETTER DATED AUGUST 8, 1975, PLAN ORGANIZATION
INFORMED IRAN MCA THAT THE U.S. PARENT COMPANY HAS
BEEN RECORDED WITH THAT MINISTRY. THIS IS ALL THAT
IS REQUIRED FOR U.S. COMPANY TO OBTAIN PUBLIC SECTOR
BUSINESS IN IRAN. ALTERNATIVELY, IN SEEKING PUBLIC
SECTOR BUSINESS, IRAN MCA CAN ALSO ACT AS SUBCONTRACTORS
VIA OTHER U.S. COMPANIES. COPY OF THIS PLAN ORGANIZA-
TION LETTER WAS CARRIED BY MR. MIRMIRAN WHEN HE DEPARTED
IRAN ON AUGUST 12.

3. EMBASSY STRONGLY DOUBTS THAT PLAN ORGANIZATION,
EVEN WITH EMBASSY INTERVENTION, WILL WAIVE BUREAUCRATIC
REQUIREMENT THAT IRAN MCA WILL HAVE TO WAIT SIX MORE
MONTHS BEFORE
RECEIVING CERTIFICATION SINCE AS PRACTICAL
MATTER COMPANY NOT RPT NOT ADVERSELY AFFECTED THEREBY.
NONETHELESS, ECONOMIC COUNSELOR WILL SPEAK WITH MR.
MIRMIRAN WHEN HE RETURNS TO IRAN TO ASCERTAIN WHAT
FUTURE ACTION, IF ANY, MAY BE REQUIRED.
HELMS

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